CASE 5651: BURMAH OIL & GAS CO. FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

### CASE NO.

565/

APPlication, Transcripts, Small Exhibits,

ETC.

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NEW MEXICO OIL CO Santa Fe	ORE THE NSERVATION COMM , New Mexico 31, 1976	IISSION
EXAMIN	ER HEARING	
IN THE MATTER OF:		) ) )
Application of Burmah Of for an unorthodox gas we Eddy County, New Mexico	ell location,	) CASE ) 5651 )
BEFORE: Richard L. Stamets, 1		
TRANSCRIE	PT OF HEARING	
APPEA	ARANCES	
For the New Mexico Oil Conservation Commission:		for the Commission fice Building
For the Applicant:	W. Thomas Kel KELLAHIN & FO Attorneys at 1 500 Don Gaspa Santa Fe, New	X Law r
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sid morrish reporting service

General Court Reporting Service

S25 Calle Mejia, No. 122, Santa Fe, New Mexico 87501

Phone (505) 982-9212

For the N Conserv 

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MR. CARR: Case 5651, application of Burmah Cil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico.

MR. STAMETS: Call for appearances.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,
Santa Fe, New Mexico, appearing on behalf of the applicant.

If the Examiner please, we would request that an order be entered based upon the testimony presented before the Examiner on the hearing, I believe it was March 17th. The case has been called simply to correct an error in the advertisement.

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MR. STAMETS: There being nothing, the order will be entered based upon the earlier record in this case.

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### REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Morrish,

i do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3657 heard on me on 373/

New Mexico Oil Conservation Commission

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### BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico March 31, 1976 EXAMINER HEARING IN THE MATTER OF:

Application of Burmah Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico.

CASE 5651

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BEFORE: Richard L. Stamets, Examiner

### TRANSCRIPT OF HEARING

### APPEARANCES

For the New Mexico Oil Conservation Commission:

William F. Carr, Esq.

Legal Counsel for the Commission State Land Office Building

Santa Fe, New Mexico

For the Applicant:

W. Thomas Kellahin, Esq.

KELLAHIN & FOX Attorneys at Law 500 Don Gaspar Santa Fe, New Mexico

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Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is a comple e record of the proceedings in the Examiner hearing of Case No. 575,

heard by me on 1976

New Mexico Oil Conservation Commission

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	an unorthodox gas well :	location,	)	5651
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4	APPEA	ARANCE	<u> </u>	
•	For the New Mexico Oil		. Carr,	Esq.
5	Conservation Commission:	Legal Cou	insel for	the Commission
3		State Lan Santa Fe,		Building
`∥		-		
' ∥	For the Applicant:	W. Thomas		n, Esq.
.		KELLAHIN Attorneys		
`∥		500 Don G	aspar	
1		Santa Fe,	New Mex	ico

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PHIL M. WHITSITT

Direct Examination by Mr. Kellahin

Cross Examination by Mr. Nutter

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### EXHIBIT INDEX

Applicant's Exhibit No. One, Plat 6

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MR. CARR: Case 5651, application of Burmah Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico.

MR. NUTTER: Let the record show that in this particular case there has been an error in the advertisement which we attempted to correct in the newspaper, however, it was not possible and the location as advertised was in Township 23 South, Range 28 East, rather than 24 South, 28 East, which I think is the proper location of the well, so if we are going to proceed with this case today, Mr. Kellahin, we will have to readvertise the case.

MR. KELLAHIN: Yes, I understand.

(THEREUPON, the witness was duly sworn.)

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox appearing on behalf of Burmah Oil and Gas Company and I have one witness who has just been sworn.

### PHIL M. WHITSITT

called as a witness, having been first duly sworn, was examined and testified as follows:

### DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Mr. Whitsitt, would you please spell your name for

## sid morrish reporting service General Court Reporting Service 5 Calle Mejia, No. 122, Santa Fe, New Mexico 87501 Phone (505) 982-9212

the Reporter?

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- A. W-h-i-t-s-i-t-t.
- Q. And by whom are you employed and in what capacity?
- A. I'm employed by Burmah Oil and Gas Company in the capacity of District Landman.
  - Q. Have you previously testified before this Commission?
  - A. No, I haven't.
  - Q What is your educational background?
- A. I have a B.B.A. degree and twelve years experience as a landman.
- Q Are you familiar with the facts surrounding this particular application by Burmah?
  - A. Yes.

MR. KELLAHIN: If the Examiner please, are the witness's qualifications to testify in this case acceptable?

MR. NUTTER: Yes, they are.

- Q. (Mr. Kellahin continuing.) Mr. Whitsitt, would you refer to Exhibit Number One, identify it and state what Burmah is seeking?
- A. Exhibit Number One is a plat showing Section 11,

  Township 24 South, Range 28 East, the west half of which we

  propose as a proration unit for a well at a location seventeen

  eighty from the south line and six sixty from the west line.
  - Q. What is the acreage to be dedicated to the well?
  - A. The west half of Section 11 will be dedicated to

### sid morrish reporting service General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fe, Now Mexico 87501 Phone (505) 982-9212

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- Q. Why are you seeking an unorthodox location?
- A. The orthodox location would be nineteen eighty from the south and six sixty and this fell not only in the middle of a property line but also an irrigation canal and we had to move it, preferably to the south and we moved it just far enough to the south to get the entire location on the one piece of property.
- Q. So for topographical reasons you are seeking an unorthodox location?
  - A. For topographical reasons, yes.
- And in your opinion, Mr. Whitsitt, is the proposed location a satisfactory location from which to adequately develop this unit?
  - A. Yes, it is.
- Q. Would you describe who are the offsetting adjoining operators?
- A. The surrounding acreage is owned by Burmah and Phillips, along with the acreage for the proration unit.

  Burmah has a farmout agreement from Phillips providing for the drilling of this well.
- Q. What is the anticipated depth of the test well, do you know?
  - A. Approximately sixteen thousand, five hundred feet.
  - Q. Okay.

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A. It will be a Morrow test.

Q. In your opinion will the approval of this application be in the best interest of conservation, prevention of waste and the protection of correlative rights?

A. Yes.

Q Was Exhibit One prepared by you directly or compiled under your direction and supervision?

A. Yes, it was.

MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibit One.

MR. NUTTER: Exhibit One in Case 5651 will be admitted.

(THEREUPON, Applicant's Exhibit Number
One was admitted into evidence.)

MR. KELLAHIN: That concludes our direct examination

### CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Whitsitt, as I understand it, the only way in which this proposed location is non-standard is that it has been moved two hundred feet to the south to clear the irrigation canal, is that right?

A. This is correct.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

sid

(THEREUPON, the witness was excused.)

MR. NUTTER: Do you have anything further, Mr.

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MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything to offer in Case Number 5651?

We will continue the case to the Examiner Hearing scheduled to be held in this same place, at nine A.M. on March 31, 1976.

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New Mexico Oil Conservation Commission ..., Examiner

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
March 17, 1976	
EXAMINER HEARING	
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Application of Burmah Oil & Gas Co. for ) an unorthodox gas well location, Eddy County, New Mexico.

CASE 5651

BEFORE: Daniel S. Nutter, Examiner

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Legal Counsel for the Commission

State Land Office Building

Santa Fe, New Mexico

For the Applicant:

W. Thomas Kellahin, Esq.

KELLAHIN & FOX Attorneys at Law 500 Don Gaspar

Santa Fe, New Mexico

### INDEX

Page PHIL M. WHITSITT Direct Examination by Mr. Kellahin Cross Examination by Mr. Nutter EXHIBIT INDEX Page Applicant's Exhibit No. One, Plat 

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Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing to a complete record of the proceedings in the Examiner hearing of Case No. 55, heard by me on 3/7

New Mexico 011 Conservation Commission



### **OIL CONSERVATION COMMISSION**

**STATE OF NEW MEXICO** P. O. BOX 2088 - SANTA FE &75GI

LAND COMMISSIONER PHIL R. LUCERO April 21, 1976



STATE GEOLOGIST EMERY C. ARNOLD

DIRECTOR JOE D. RAMEY

Mr. Tom Kellahin Kellahin & Fox Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico	ORDER NO. R-5195  Applicant:
·	Burmah Oil & Gas Company
Dear Sir:	
	copies of the above-referenced entered in the subject case.
Yours very truly,  JOE D. RAMEY  Director	
JDR/fd	
Copy of order also sent t	o:
Hobbs OCC ×	· · · · · · · · · · · · · · · · · · ·
Artesia OCC X Aztec OCC	<del></del>
Other	

Re: CASE NO.

5651

### BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 5651 Order No. R-5195

APPLICATION OF BURMAH OIL & GAS CO. FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

### ORDER OF THE COMMISSION

### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 20th day of April, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

### FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Burmah Oil & Gas Co., seeks approval of an unorthodox gas well location 1780 feet from the South line and 660 feet from the West line of Section 11, Township 24 South, Range 28 East, NMPM, to test the Morrow formation, Eddy County, New Mexico.
- (3) That the W/2 of said Section 11 is to be dedicated to the well.
- (4) That the unorthodox location is necessitated by reason of topography.
- (5) That no offset operator objected to the proposed unorthodox location.
- (6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

-2-Case No. 5651 Order No. R-5195

### IT IS THEREFORE ORDERED:

- (1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 1780 feet from the South line and 660 feet from the West line of Section 11, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (2) That the W/2 of said Section 11 shall be dedicated to the above-described well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

Dockets Nos. 12-76 and 13-76 are tentatively set for hearing on April 14 and 28, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

### DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 31, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

### CASE 5641: (Continued from March 17, 1976 Examiner Hearing)

Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection to the Queen formation through the open-hole interval from approximately 3800 to 3875 feet in his State JC "T" Well No. 1 located in Unit B of Section 16, Township 23 South, Pange 36 East, Langlie-Mattix Pool, Lea County, New Mexico.

### CASE 5651: (Continued & Readvertised)

Application of Burmah 011 & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1780 feet from the South line and 660 feet from the West line of Section 11, Township 24 South, Range 28 East, Eddy County, New Mexico, the N/2 of said Section 11 to be dedicated to the well.

- CASE 5655: Application of Apollo 011 Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the lower Yates-Seven Rivers formation through the open-hole interval from 3289 to 3363 feet in its Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 5656: Application of David Fasken for an unorthodox location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Avalon Federal Com Well No. 2, to be drilled 660 feet from the South and West lines of Section 1, Township 21 South, Range 25 Fast, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, with all of said Section 1, a previously approved 854-acre non-standard gas proration unit, to be simultaneously dedicated to said well and to applicant's Avalon Federal Com Well No. 1, located in Unit P of said Section 1.
- CASE 5657: Application of Inexco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled 350 feet from the East line and 803 feet from the South line of Section 1,

  Township 21 South, Range 26 East, Burton Flat Field, Eddy County, New Mexico, the S/2 of said Section 1 to be dedicated to the well.
- CASE 5658: Application of Inexco Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 10, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico, to be dedicated to applicant's Inexco Federal-State Com Well No. 1-10, to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges or supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5659: Application of Texaco Inc. for downhole Commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Penrose Skelly Grayburg and Drinkard production in the wellbore of its Mittle Weatherly Well No. 1, located in Unit F of Section 17, Township 21 South, Range 37 Fast, Lea County, New Mexico.
- CASE 5660: Application of Exxon Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Fairview Mills Unit Area comprising 3840 acres, more or less, of Federal and Fee lands in Township 25 South, Range 34 Fast, Lea County, New Mexico.
- CASE 5661: Application of Randolph M. Richardson for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the CC Tank Unit Area comprising 10,550 acres, more or less, of Federal, State, and fee lands in Townships 19 and 20 South, Ranges 23 and 24 East, Eddy County, New Mexico.

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KELLAHIN AND FOX
ATTORNEYS AT LAW
500 PON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN ROBERT E.FOX W.THOMAS KELLAHIN

March 1, 1976

TELEPHONE 982-4315 AREA CODE 505

Case 5651

Mr. Bill Carr
New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Burmah Oil and Gas Company

Dear Bill:

Please find enclosed Burmah's application for unorthodox well location which has already been set for hearing on March 17, 1976.

Very truly yours,

1000

W. Thomas Kellahin

CC: Mr. Phil Whitsitt

WTK: kjf

Enclosure

### BEFORE THE

### OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF BURMAH OIL & GAS COMPANY FOR APPROVAL OF AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

### APPLICATION

Comes now Burmah Oil and Gas Company and applies to the New Mexico Oil Conservation Commission for approval of an unorthodox well location in Eddy County, New Mexico, and in support thereof would show the Commission:

- 1. Applicant is the operator of the W/2, Section 11,

  Township 2 South, Range 28 East, N.M.P.M., Eddy County,

  New Mexico.
- 2. Applicant proposes to drill a well to test the Morrow formation at a location 1780 feet from the South line and 660 feet from the West line of said Section.
- 3. A well located as proposed will recover gas that would not otherwise be recovered, is in the interest of conservation, and the protection of correlative rights.

WHEREFORE applicant prays that this application be set for hearing before the Commission and that after notice and hearing as required by law, the Commission enter its order approving the location as prayed for.

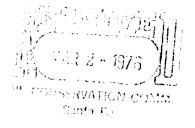
Respectfully submitted,

BURMAN OIL & GAS COMPANY

KELLAHIN & FOX P. O. Box 1769

Santa Fe, New Mexico

Attorneys for Applicant



### BEFORE THE

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Respectfully submitted,
BURMAH OIL & GAS COMPANY

Ву

KELLAHIN & FOX
P. O. Box 1.769
Santa Fe, New Mexico
Attorneys for Applicant

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- 2. Applicant proposes to drill a well to test the Morrow formation at a location 1780 feet from the South line and 660 feet from the West line of said Section.
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WHEREFORE applicant prays that this application be set for hearing before the Commission and that after notice and hearing as required by law, the Commission enter its order approving the location as prayed for.

> Respectfully submitted, BURMAH OIL & GAS COMPANY

KELLAHIN & FOX P. O. Box 1769 Santa Fe, New Mexico Attorneys for Applicant  $\dot{\gamma}$ 

### OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

JAR

CASE NO 5651
Order No. R- <u>3195</u>
APPLICATION OF BURMAH OIL & GAS CO.  FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.  ORDER OF THE COMMISSION
BY THE COMMISSION:
This cause came on for hearing at 9 a.m. on March 12 3 / , 19 76 at Santa Fe, New Mexico, before Examiner <u>Paniel S. Nutter</u> RXS .
NOW, on this <u>day of March</u> , 19 76, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,
FINDS:
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
(2) That the applicant, <u>Burmah Oil &amp; Gas Co.</u> , seeks
approval of an unorthodox gas well location <u>1780</u> feet from the <u>South</u>
line and 660 feet from the West line of Section 11, Township
24 South , Range 28 East , NMPM, to test the
Morrow formation,Pool.
Eddy County, New Mexico.
(3) That the $\frac{W}{2}$ of said Section $\frac{11}{2}$ is to be dedicated to the
well.
(4) That a well at said unorthodox location will better enable
applicant to produce the gas underlying the proration unit.
(5) That no offset operator objected to the proposed unorthodox
location.
(4) That the unorthodox location is necessitated by reason of topugraphy.
necessitated by reason of topugraphy.

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Case No.	5651
Order No.	R-

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

### IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow
formation is hereby approved for a well to be located at a point 1780
feet from the South line and 660 feet from the West
line of Section 11 , Township 24 South , Range 28 East
NMPM, Pool,Eddy County,

- (2) That the  $\frac{W/2}{}$  of said Section  $\frac{11}{}$  shall be dedicated to the above-described well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereimbove designated.

& March 17th

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